

**CITY OF SOUTH HAVEN
COUNTIES OF VAN BUREN AND ALLEGAN, MICHIGAN**

RESOLUTION NO. 2000- 01

A RESOLUTION APPROVING A FIRST AMENDMENT TO THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY DISTRICT NUMBER ONE

Minutes of a regular meeting of the City of South Haven, Allegan and Van Buren Counties, State of Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan, on January 3, 2000, at 7:30 p.m., local time.

Present: Adler, Fanger, Lewis, McClendon, Nixon, Thaler and Mills

Absent: None

The following preamble and resolution were offered by Council Member Adler and supported by Council Member McClendon.

WHEREAS, pursuant to Act No. 281 of the Public Acts of Michigan, 1986, as amended (the "Act"), the City of South Haven did, on June 19, 1989, by Resolution No. 89-33, create and establish the City of South Haven Local Development Finance Authority (the "L DFA"); and

WHEREAS, by Resolution No. 90-23, the City adopted the L DFA Development Plan and Tax Increment Financing Plan Industrial Park Improvement Project on April 16, 1990; and

WHEREAS, in compliance with the provisions of the Act, the L DFA has prepared the L DFA's First Amendment to City of South Haven Local Development Finance Authority District One Development Plan and Tax Increment Financing Plan Industrial Park Improvement Project (the "First Amendment to Plan"); and

WHEREAS, attached to this Resolution as Exhibit A, and incorporated by reference, is the First Amendment to Plan which has been recommended to the City Council by the L DFA Board; and,

WHEREAS, the First Amendment to Plan constitutes a public purpose; and,

WHEREAS the changes to the development plan contained in the First Amendment to Plan meet the requirements set forth in section 15(2) of the Act, and the changes to the tax increment financing plan contained in the First Amendment to Plan meet the requirements set forth in section 12(1), (2), and (3) of the Act.

WHEREAS, the proposed method of financing the public facilities is feasible and the authority has the ability to arrange the financing; and,

WHEREAS, the development is reasonable and necessary to carry out the purposes of the Act; and,

WHEREAS, the amount of captured assessed value estimated to result from adoption of the plan is reasonable; and,

WHEREAS, the land to be acquired under the development plan is reasonably necessary to carry out the purposes of the Act; and,

WHEREAS, the development plan is in reasonable accord with the approved master plan of the municipality; and,

WHEREAS, public services are adequate to serve the property; and

WHEREAS, changes to zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the City of South Haven.

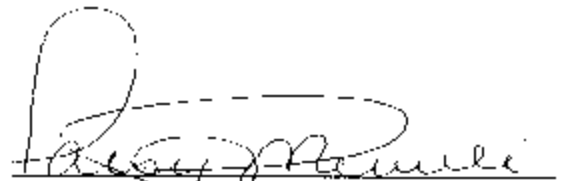
NOW, THEREFORE, BE IT RESOLVED THAT:

1. The First Amendment to Plan, attached and marked as Exhibit A, is hereby approved by the South Haven City Council.

AYES: Adler, Fanger, Lewis, McClendon, Nixon, Thaler and Mills

NAYS: None

RESOLUTION DECLARED ADOPTED.

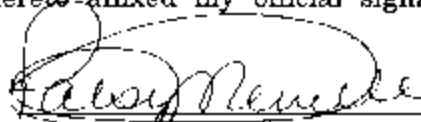

Patsy J. Neville, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
) ss.
COUNTIES OF ALLEGAN AND VAN BUREN)

I, Patsy J. Neville, the duly qualified and acting Clerk of the City of South Haven, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a meeting held on January 3, 2000, the original of which is on file in the office of the City Clerk. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I have hereto affixed my official signature this January 3, 2000.



Patsy J. Neville, City Clerk

EXHIBIT A

**FIRST AMENDMENT TO
CITY OF SOUTH HAVEN
LOCAL DEVELOPMENT FINANCE AUTHORITY
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
INDUSTRIAL PARK IMPROVEMENT PROJECT**

The Local Development Finance Authority of the City of South Haven (the "Authority") hereby amends its Development Plan and Tax Increment Financing Plan Industrial Park Improvement Project (the "Original Plan") which was approved by the City Council of the City of South Haven, Michigan (the "City") pursuant to the provisions of Act 281, Public Acts of Michigan, 1986, as amended ("Act 281") and also pursuant to Resolution No. 90-23 enacted by the City Council on April 16, 1990.

This First Amendment to the Development Plan and Tax Increment Financing Plan (the "First Amendment") was adopted by the Authority on December 6, 1999 and approved by the City Council on January 3, 2000, by Resolution No. _____.

References herein to the "Plan" shall mean the Original Plan as amended by this First Amendment.

Section 1: Section I.C. of the Plan, entitled, "Overview of the Development," is amended to add additional projects to be undertaken by the Local Development Finance Authority (the "Additional Public Facilities"). These projects are in addition to those identified in the Original Plan.

"The additional projects can be summarized as follows:

- a) **Environmental Improvements.**
 - Environmental clean up of contaminated sites.
- b) **Infrastructure Improvement**
 - New landscaping to improve the industrial park appearance.
 - Property acquisition and development of land for industrial growth purposes.
 - Construct and repair utilities, sanitary and storm drainage systems which service the district.
 - Provide roadway access and utilities to sites including, but not limited to, rehabilitated industrial land.
 - Industry retention and attraction program costs."

Section 2: Section II.D. of the Plan is amended to add Additional Public Facilities to be acquired:

1. Environmental clean up of contaminated sites. These facilities improvements include, but are not limited to the following: Soil and ground water investigation, preparation of reports, baseline environmental assessments and other assessments, plans, work plans, due care plans and compliance analyses or any other analysis, remediation of soil and groundwater, capping, engineering, and other professional fees and any other response activities which the LDFA Board deems necessary for adequate environmental cleanup of contaminated sites.

2. Landscaping. These facilities improvements will involve the installation of new landscaping within the public right-of-way to improve the industrial park appearance. These improvements will include, but not be limited to, removal of old sod, plantings, debris, soil and other material; installation of irrigation; landscaping, including, but not limited to, the installation of grass, trees, other plantings, and other decorative items; installation of benches, trash receptacles, lighting, signage, banners, dumpster enclosures, tree grates, etc.; engineering, and other professional fees; and any other items which the LDFA Board determines necessary or incidental for landscaping improvements.

3. Property acquisition and development of land for industrial growth purposes. These facilities improvements include, but are not limited to the acquisition of land, rights of way and easements; the demolition or rehabilitation of existing structures; clearing of the site; grading and other site preparation; engineering, and other professional fees; and any other items which the LDFA Board determines necessary or incidental to prepare sites for industrial development.

4. Construct and repair utilities, sanitary and storm drainage systems which service the district. These facilities improvements include but are not limited to, acquisition of property, easements and rights-of-way; site work, trenching and excavating; alteration of the roadway, parking lots or other structures, improvements or utilities impacted by the improvements; installation of drains, pipes, cables, utility poles, utility lines; rerouting or burying of utility lines; restoration of streets, parking lots and landscaping; engineering, and other professional fees; and any other items which the LDFA Board determines necessary or incidental for the construction or repair of utilities and sanitary or storm drainage systems which service the district.

5. Provide roadway access and utilities to industrial sites, including rehabilitated industrial land. These facilities improvement include, but are not limited to utilities improvements identified above;

acquisition of land, rights of way and easements; demolition of existing structures and clearing the right of way of other obstacles; grading and other site preparation; the construction of new streets and service drives; installation of the road bed and bituminous paving; installation of curb, gutter and sidewalks; installation of signage and traffic control devices; installation of streetscape improvements; engineering, and other professional fees; and such other improvements as the LDFA Board deems to be necessary or incidental to the to the construction of streets and utilities."

Section 3: Section II.E. is amended to add the following description of the Additional Public Facilities:

"The Additional Public Facilities are all located within the Authority District, except for the St. Joseph Storm and Sanitary Sewer improvements, part of which will connect the Authority District to the sewer outlets. The extent of the Additional Public Facilities is described in Section II.D. above. The estimated cost of the Additional Public Facilities and estimates of the time required for completion are shown on Exhibit A. The additional public facilities shall include all costs necessary and incidental to the acquisition or construction of the additional public facilities. The costs of the additional public facilities will include all architect's, engineer's, legal and accounting fees."

Section 4: Section II.F. is amended to add the following description of the statement of construction or stages of construction planned and the estimated time of completion of each stage.

"The construction stages and times of completion are shown on Exhibit A."

Section 5: Section II.H. is amended to add the following description of desired zoning changes and changes in streets, street levels, intersections and utilities regarding the Additional Public Facilities:

Zoning: No zoning changes are required for the Additional Public Facilities.

Streets: The additional public improvements contemplate the resurfacing of St. Joseph Street after storm and sanitary sewer upgrades. Drives and access roads will be constructed for the National Motors site and other sites as needed.

Utilities: Storm and sanitary sewer upgrades are planned for St. Joseph Street, construction of utilities for various sites is planned as well as storm sewer improvements.”

Section 6: Section II.I. is amended to add an estimate of the costs of the Additional Public Facilities, a statement of the proposed method of financing the Additional Public Facilities, and the ability of the Authority to arrange the financing.

“An estimate of the costs of the Additional Public Facilities are set forth on Exhibit A. The methods of financing shall remain the same as those identified in the original plan. The Authority’s ability to finance the Additional Public Facilities is demonstrated by the estimate of tax increment revenues shown in Section 8.”

Section 7: Section III.B. is amended to add the estimate of captured assessed values for each year covered by this Amendment.

	1989 Initial Assessed Value (Adjusted)	Plan Year Assessed/Taxable Value	Captured Assessed/Taxable Value	Tax Increment Revenue	Cumulative Revenue
	11,065,250				
PLAN YEAR					
(1) 1990		12,428,600	1,363,350	71,686	71,686
(2) 1991		12,631,100	1,565,850	63,151	134,837
(3) 1992		14,159,800	3,094,550	101,815	236,652
(4) 1993		14,575,000	3,509,750	104,979	341,631
(5) 1994		17,400,560	6,335,310	190,051	531,682
(6) 1995		22,202,209	11,136,950	157,327	689,009
(7) 1996		22,291,716	11,226,466	155,484	844,493
(8) 1997		20,219,072	9,153,822	116,282	960,775
(9) 1998		21,216,537	10,151,287	140,271	1,101,046
(10) 1999		25,278,951	14,213,701	202,415	1,303,461
(11) 2000		25,555,689	14,490,439	206,528	1,509,989
(12) 2001		25,840,729	14,775,479	210,764	1,720,753
(13) 2002		26,134,320	15,069,070	215,127	1,935,880
(14) 2003		26,436,719	15,371,469	219,621	2,155,501
(15) 2004		26,748,190	15,682,940	224,250	2,379,751
(16) 2005		27,069,005	16,003,755	229,018	2,608,769
(17) 2006		27,399,444	16,334,194	233,928	2,842,697
(18) 2007		27,739,797	16,674,547	238,986	3,018,683
(19) 2008		28,090,360	17,025,110	244,196	3,325,879

(20) 2009		28,451,440	17,386,190	249,562	3,575,441
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Section 8: Section III.C. is amended to add the estimate of tax increment revenues for each year covered by this amendment.

Plan Year	Captured Value	Millage	Actual/Estimated Tax Increment Revenues
1990	14,213,701	10.8 - 21.7	202,415
2000	14,490,439	10.8 - 21.7	206,528
2001	14,775,479	10.8 - 21.7	210,764
2002	15,069,070	10.8 - 21.7	215,127
2003	15,371,469	10.8 - 21.7	219,621
2004	15,682,940	10.8 - 21.7	224,250
2005	16,003,755	10.8 - 21.7	229,018
2006	16,334,194	10.8 - 21.7	233,928
2007	16,674,547	10.8 - 21.7	238,986
2008	17,025,110	10.8 - 21.7	244,196
2009	17,386,190	10.8 - 21.7	249,562

Section 9: Section III.H. is amended in its entirety to read as follows:

"H. Duration of the development plan and tax increment plan.
Section 12(2)(h).

The Development Plan and Tax Increment Financing Plan shall remain in effect until all development has been completed. In any event, the Plan will terminate on December 31, 2010; provided, however, the Authority may amend or alter the Plans to the extent to do so is permitted by the Articles of Incorporation and the Act."

Section 10: Section III.I. is amended in its entirety to read as follows:

"I. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. Section 12(2)(i).

Since the finance plan is dependent on new values to be created, the taxing jurisdictions would continue to receive their prorated taxes from the current base year of 1989 values. This plan provides for the use of all of the tax increment revenues captured by the Authority. The amount of the estimated tax increment revenues from each of the taxing jurisdictions is as follows:

<u>Year</u>	<u>City of South Haven</u>	<u>Van Buren County</u>
2000	144,404	62,124
2001	147,366	63,398
2002	150,417	64,710
2003	153,559	66,062
2004	156,796	67,454
2005	160,129	68,889
2006	163,562	70,366
2007	167,099	71,887
2008	170,742	73,454
2009	174,494	75,068

Section 11: Section III.J. is amended in its entirety to read as follows:

J. A legal description of the "eligible property" to which the tax increment financing plan applies. Section 12(1)(i).

("Eligible property" means land improvements, buildings, structures, and other real property, and machinery, equipment, furniture, and fixtures, or any part or accessory thereof whether completed or in the process of construction comprising an integrated whole, located within an authority district, of which the primary purpose and use is 1 of the following: (i) The manufacture of goods or materials or the processing of goods or materials by physical or chemical change. (ii) Agricultural processing. (iii) A high technology activity that has as its primary purpose research, produce development, engineering, laboratory testing, or development of industrial technology. This subparagraph applies only to eligible property for which a tax increment financing plan or development plan is adopted and bonds are issued under this act before January 1, 1993.)

A legal description of the eligible property to which the tax increment financing plan applies is attached as Exhibit B.

Section 12: Except as provided above, the IDFA Development Plan and Tax Increment Financing Plan Industrial Park Improvement Project originally approved on April 16, 1990 is ratified and confirmed.

EXHIBIT A

Additional Public Facilities	Estimated Time of Completion	Estimated Cost
1. Environmental clean up of contaminated sites a) National Motors site b) Other areas as needed	2002-2004	\$ 200,000
2. Landscaping	2000-2010	\$ 130,000
3. Property acquisition and development of land for industrial growth purposes	2000-2010	\$1,200,000
4. Construct and repair utilities, sanitary and storm drainage systems a) St. Joseph Street b) Other areas as needed	2007-2009 2000-2010	\$2,000,000
5. Provide roadway access a) National Motors site b) Other areas as needed	2004 2000-2010	\$ 700,000

EXHIBIT B

BEGINNING AT THE CENTER MONUMENT FOR SECTION 15, T1S, R17W, THENCE NORTH 479.32 FT., THENCE EAST 880.69 FT., THENCE NORTH 300 FT., THENCE EAST 223 FT., THENCE NORTH 154 FT., THENCE EAST 162.6 FT. TO M-140 WESTERLY RIGHT-OF-WAY LINE, THENCE NORTH 65.9 FT., THENCE WEST 175.6 FT., THENCE NORTH 108.34 FT., THENCE WEST 396.69 FT., THENCE NORTH 210 FT., THENCE WEST 694.08 FT., THENCE NORTH 1317.38 FT. TO CENTER LINE OF AYLWORTH AVE., THENCE WEST 1014.25 FT. TO CENTER LINE OF INDIANA AVE., THENCE NORTH 1938.32 FT., THENCE WEST 193 FT., THENCE NORTH 93.88 FT., THENCE WEST 115 FT., THENCE SOUTH 85.79 FT., THENCE WEST 207.08 FT., THENCE SOUTH 218 FT., THENCE WEST 200 FT., THENCE SOUTH 170 FT., THENCE WEST 100 FT., THENCE SOUTH 239 FT., TO CENTER LINE OF ELKENBURG ST., THENCE WEST 161.5 FT. TO CENTER LINE OF ST. JOSEPH ST., THENCE SOUTH 1322 FT. TO CENTER LINE OF AYLWORTH AVE., THENCE WEST 651.22 FT. TO CENTERLINE OF J.R. MONROE BLVD., THENCE SOUTH 183 FT., THENCE EAST 636.3 FT., THENCE SOUTH 310.26 FT., THENCE EAST 22.9 FT., THENCE SOUTH 856.33 FT., TO CENTER LINE OF LOVEJOY AVE., THENCE WEST 175.90 FT., TO THE WEST LINE OF ST. JOSEPH ST., THENCE SOUTH AND SOUTH EASTERLY 1300.25 FT., THENCE SOUTH 1967.44 FT., THENCE EAST 290.99 FT., THENCE SOUTH EASTERLY 256.19 FT. TO THE NORTH WESTERLY RIGHT-OF-WAY LINE FOR BLUE STAR MEMORIAL HIGHWAY, THENCE NORTH EASTERLY 246.47 FT., THENCE NORTH 1922.02 FT., THENCE EAST 1334.69 FT. TO POINT OF BEGINNING.

EXCEPTING LOT 11 IRVING T OLSON IND SUB. (A851I, 1348 KALAMAZOO ST)

ALSO EXCEPTING BEG AT SE COR OF LOT 17, TH N89D19'30"W ON S L OF SD LOT 576.70' TO E L OF ST JOSEPH ST, TH N13D45"W ON SD E L 35.11', TH S89D19'30"E 412.10', TH N0D05"E 154.42' TO N L OF S1/2 OF SD LOT 17, TH S89D20'03"E ON SAME 173.0' TO E L OF LOT 17, TH S0D05"W ON SD E L 188.45' TO BEG. IRVING T OLSON INDUSTRIAL SUB. (A851O, 749 ST JOSEPH ST)

ALSO EXCEPTING LOT 13 IRVING T OLSON IND SUB. (A851K, 195 LOVEJOY ST)

ALSO EXCEPTING LOT 16 IRVING T OLSON IND SUB. (A851N, 1435 ST JOSEPH ST)

ALSO EXCEPTING N 1/4 OF LOT 17 IRVING T OLSON IND SUB. (A851O1, 1445 ST JOSEPH ST)

ALSO EXCEPTING W 214.5' OF E 379.5' OF N ¼ NW¼ NW¼ OF SEC. EX AYLWORTH AVE ROW. UNPLATTED SECTION 15. (A857AA1, 144 AYLWORTH AVE)

ALSO EXCEPTING BEG AT NW COR OF LOT 1, TH E ALG N L OF LOTS 1, 4 & 5 193.3', TH S 0 DEG 24'10" E 150', TH W 193.3' TO W L OF LOT 3, TH N 0 DEG 24' 10" W ON W L OF LOTS 3, 2 & 1 150' TO BEG. AYLWORTH AVE SUBDIVISION AND UNPLATTED. (A476-A3, 1207 MONROE BLVD)

ALSO EXCEPTING BEG ON N L LOT 5 193.3' W OF NW COR LOT 1, TH E ON N L SD LOTS 5 & 6 TO THE NE COR LOT 6, TH S 0 DEG 24'10" E 150', TH W TO A PT S OF BEG, TH N TO BEG. BLOCK 1 AYLWORTH AVENUE SUBDIVISION & UNPLATTED. (A476-A6, 74 AYLWORTH AVE)

ALSO EXCEPTING W 300' OF E 679.5' OF N ¼ OF NW ¼ OF NW ¼ OF SEC EX N 150' THEREOF. ALSO EX BEG AT SW COR OF SD E 679.5' OF N ¼ OF NW ¼ OF NW ¼ OF SEC, TH E ALG S L OF SD N ¼ 22.7', TH N PAR WITH W SEC L 165', TH W PAR WITH SD S L 22.9', TH S 165' TO BEG. ALSO EX BEG AT SW COR OF LOT 12 OF THE AYLWORTH AVE SUB, TH S 122', TH E 120', TH N 122' TO S L OF SD SUB, TH W ON SAME 120' TO BEG. UNPLATTED SECTION 15. (A857AA2, 144 AYLWORTH AVE)

City of South Haven
 Council Minutes
 January 17, 2000

The regular meeting of the South Haven City Council was called to order by Mayor Mills.

Members present: Adler, Fanger, Lewis, Nixon, Thaler and Mills.

Member absent: McClendon.

Moved by Adler supported by Fanger to excuse Councilmember McClendon. All voted yes. Motion carried.

Councilmember Fanger gave the Invocation.

Moved by Lewis supported by Fanger to approve Consent Agenda Items #1, 2,3, 4 and 5. Voting yes: Lewis, Nixon, Thaler, Adler, Fanger, and Mills. Motion carried.

1. Approval of January 3, 2000 minutes
2. Acceptance of minutes from Boards and Commissions
 - 2a) Parks Commission November 9, 1999
 - 2b) Library Board November 9, 1999
 - 2c) Harbor Commission November 16, 1999
 - 2d) Zoning Board of Appeals November 22, 1999
 - 2e) Board of Public Utilities November 29, 1999
 - 2f) Planning Commission December 2, 1999
3. Approved budgeted purchased over \$5,000
 - 2a) Purchase of two police vehicles in the amount of \$41,820.40
4. Approved payment of bills in the amount of \$1,235,786.29 for the period ending January 17, 2000
5. Accepted Administrative Reports
 - Police Department (December)
 - 1999 Building Permit Report

Moved by Fanger supported by Adler to authorize an Interagency Agreement with the South Haven Housing Commission to provide administrative services regarding CDBG funding. All voted yes. Motion carried.

Moved by Lewis supported by Fanger to authorize Special Event Request for Icebreaker 2000. All voted yes. Motion carried.

Moved by Nixon supported by Adler to authorize a budget of \$38,000.00 and award of contract to GTE for a new phone system for city hall and upgraded phone system for the police department. All voted yes. Motion carried.